# Technical Requirements for Reporting Retirees

## For Public School Employees

Recent legislative changes require all reporting units to report wages and pay the Unfunded Actuarial Accrued Liability (UAAL) on retirees and former qualified participants of the Michigan Public School Employees' Retirement System (MPSERS) who return to work and meet certain conditions (refer to the PA 464 Employer Action Guide). The changes are effective as of December 27, 2012. The UAAL is 20.96% of the retiree's gross wages which must be reported on the DTL2 record.

In addition, reporting units are required to collect and remit employee and employer contributions to the Defined Contribution plan for former qualified participants who return to public school employment. A retiree who elected the DC plan under the recent retirement reform, may then, be both a retiree and a former qualified participant.

If that retiree returns to work directly for your reporting unit, you are required to report their gross wages, hours, and the UAAL contribution on a DTL2 record and any employer and/or employee DC contributions (based on gross wages) on a DTL4 record. When making online payments you must pay the UAAL as a "Contributions & TDP" receipt type and pay DC employee and employer contributions as a "DC Contributions" receipt type. The employee and employer DC contribution rates are available here.

ORS is providing technical information to you now so that you have time to make any needed changes to your system to allow for the new retiree class codes. You will receive notification by the end of June when our system updates are completed and available for you to use to submit reports via the Employer Reporting web site. All required adjustments for records previously posted with current class codes will be due by September 1, 2013. Instructions for adjustments will be communicated at a later date.

For more details, please refer to PA 464 Retirees Returning to Work correspondence sent 2/28/13.

If you have further questions, please contact Employer Reporting at ORS_Web_Reporting@michigan.gov or (517) 636-0166.

## Please update your system to report the Retiree Class Codes and Edits and Validations on the following pages:

### RETIREE CLASS CODES

| Class Code | Class Code Status | DTL1 | DTL2 | DTL4 |
|---|---|---|---|---|
| 9003 Retiree Teacher<br>9004 Retiree Admin<br>9005 Retiree Other | Existing | Required with 1$^{st}$ pay or changes | Required | Not required |
| 9013 Critical Shortage Retiree Teacher<br>9014 Critical Shortage Retiree Admin<br>9015 Critical Shortage Retiree Other | New | Required with 1$^{st}$ pay or demographic changes | Required | Required for qualified participants |

| Class Code | Class Code Status | DTL1 | DTL2 | DTL4 |
|---|---|---|---|---|
| 9023 3rd Party Retiree Teacher<br>9024 3rd Party Retiree Admin<br>9025 3rd Party Retiree Other | New | Required with 1st pay or demographic changes | Required | Not required |
| 9033 Non CS*/ Direct Hire Retiree Teacher<br>9034 Non CS*/ Direct Hire Retiree Admin<br>9035 Non CS*/ Direct Hire Retiree Other<br>*Critical Shortage | New | Required with 1st pay or demographic changes | Required | Required for qualified participants |
| 90xx TBD<br>90xx TBD<br>90xx TBD | TBD for future expansion | TBD | TBD | TBD |

Refer to the [Employer Action Guide](#) for further details. *Report the UAAL of 20.96% on the DTL 2 record.*

Wage Codes – no change:
07- Retiree wages
75- Positive adjustment for retiree wages
76- Negative adjustments for retiree wages

## EDITS and VALIDATIONS

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|---|
| Allow records reported under the job class codes 9013, 9014, 9015  to post for members who have not attained 3 years in Critical Shortage position (new and converted).<br>   i.   Critical Shortage positions are allowed only in K-12 school districts, intermediate school districts, and charter schools/public school academies.<br>   ii.   Community Colleges, universities and libraries cannot report retirees under Critical Shortage position job class codes. |
| Throw an error message if the retirees hired under the job class code 9013, 9014 and 9015 are retired for less than 12 months (12 month from the retirement effective date to the start of the pay period being validated.) |
| Negative Adjustments:<br>   i.   Must match previously posted records.<br>   ii.   Must have matching begin and end date with the original record<br>   iii.   Must be 76 wage code |
| Negative Adjustments must not take the account to a negative amount for the record dates. |
| The job class codes 9013, 9014, 9015, 9023, 9024, 9025, 9033, 9034, and 9035 should only come for wage codes 07, 75, and 76. |
| UAAL must be based on earnings reported in DTL2. |
| SUSPEND a record if a member SSN is reported more than once in a report with overlapping begin and end dates if one of the records was reported with a Class Code of 9003, 9004, or 9005, 9013, 9014, 9015, 9023, 9024, 9025, 9033, 9034, 9035 (Retiree Job Class) and the other record has a wage code equal to 01 (Regular Wages) |
| SUSPEND a record if the Class Code is 9003, 9004, or 9005, 9023, 9024, 9025, 9033, 9034, 9035 (Retiree Job Class) and the record's begin date is not 1 month after the member's retirement effective date. |
| SUSPEND a record if the Class Code is 9013, 9014, 9015 (Retiree Job Class) and the record's begin date is not 12 month after the member's retirement effective date. |

SUSPEND a record if the Hours are equal to zero and the Class Code is 9003, 9004, or 9005, 9013, 9014, 9015, 9023, 9024, 9025, 9033, 9034, 9035 (Retiree Job Class) and the wage code is 07. Note: Wage codes 05 & 06 are not going to work for Class Codes 9003, 9004 or 9005 9013, 9014, 9015, 9023, 9024, 9025, 9033, 9034, 9035 after SPEC.

SUSPEND a record if the Pay Rate is less than 100, and the hourly rate computed by dividing the Employer Reported Wages by the Hours is less than the reported Pay Rate with a margin of 5% and the Class Code is not equal to 8000 (Weekly Workers Compensation). This rule must be excluded for wage codes 06, 16, 26, 46, 76 & 86 where the combined wages equal to zero.

SUSPEND a record reported with a wage code of 07 (retiree wages), 75 (Positive Adjustment for Retiree Wages) or 76 (Negative Adjustment for Retiree Wages) and the Class Code is not 9003, 9004, or 9005, 9013, 9014, 9015, 9023, 9024, 9025, 9033, 9034, 9035 (Retiree Job Class).

SUSPEND a record if the member is reported with a Class Code 9013, 9014, 9015, 9023, 9024, 9025, 9033, 9034, 9035 (Retiree Job Class) and with Wage Code other than 07, 75, 76.

SUSPEND a record if the member is reported with a Class Code 9013, 9014, 9015, 9023, 9024, 9025, 9033, 9034, 9035 (Retiree Job Class) and with Wage Code 07 which do not have hours and wages.

SUSPEND a record if the member is reported with a Class Code 9013, 9014, 9015, 9023, 9024, 9025, 9033, 9034, 9035 (Retiree Job Class) and with Wage Code 75, 76 which do not have hours or wages.

SUSPEND a record if the retiree is reported with class code 9023, 9024, 9025 and retirement effective date is prior to 07/01/2010.

SUSPEND a record if the retiree is reported with class code 9033, 9034, 9035 and retirement effective date is prior to 07/01/2010.